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BEFORE THE
SURFACE TRANSPORTATION BOARD



STB EX PARTE No. 582 (Sub-No. 1)

MAJOR RAIL CONSOLIDATION PROCEDURES

ENTERED
Office of the Secretary

MAY 16 2000

COMMENTS OF THE PORT OF PORTLAND, OREGON

Part of
Public Record

On behalf of the Port of Portland, Oregon (hereinafter the "Port" or "Port of Portland"), we respectfully submit these comments as to the Surface Transportation Board Advance Notice of Proposed Rulemaking on possible modifications to its regulations governing major rail consolidations.

The Port of Portland is a public port authority whose nine-member Commission, appointed by the Governor of Oregon, sets the policy for the Port. The Port's five marine terminals have enabled Columbia River facilities to be the largest exporter of wheat in the United States, the second largest grain exporting center in the world, and among the largest ports in the U.S. for total tonnage and for the movement of automobiles, mineral bulks, and containers.

The Port of Portland is served by two Class I railroads, the Union Pacific, and the Burlington Northern Santa Fe. On the U.P. system, Portland is the closest Pacific Northwest port to Chicago, with staging areas for unit trains (intermodal, automotive, container, and bulk) adjacent to the marine terminals. BNSF enjoys a rivergrade route from Portland along the Columbia River through the Cascade Mountains and on to the East, with direct on-dock access to the Port's intermodal terminal, and minimum switching or grade crossing conflicts. New unit train staging areas and railcar staging capacity were added to the Port facilities in 1997 and more are planned for 2001 for use by both railroads.

As a member of the American Association of Port Authorities ("AAPA"), the Port of Portland has reviewed the comments of AAPA to be submitted in this proceeding and fully supports the recommendations stated in those comments. It is critical that ports be recognized as one of the essential elements that

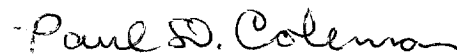
connects water, rail, and truck transportation in the movement of regional, national, and international and domestic commerce.

The effect on ports should be considered as a major factor in whether a consolidation of Class I railroads is in the public interest. Individually and collectively, ports are tremendous economic generators and transportation enablers with economic impacts reaching well beyond their local communities. Through their physical plants and service offerings, ports provide platforms that allow numerous businesses to operate, compete and profit. Railroads should not be permitted, as part of a major merger, to unilaterally and arbitrarily choose one port or range of ports over another, or to otherwise differentiate services to competing ports, without oversight from the Board to assure that rail service to/from ports is provided as required by public and private interests.

To insure that ports are properly considered in any proceeding, and to insure that ports and the federal, state, and local governments, as well as private investors and communities, will continue to make the investments in and support port facilities necessary for our Nation's increasing trade requirements, the Port of Portland specifically requests that "the interests of the ports" be added as a separate criteria "(vi)" in 49 C.F.R. §1180.1. Only in this manner will the issue of the impact on ports, and therefore, on trade, be totally developed, and thus permit the Board to make a fully-informed decision as to the public benefits of a proposed consolidation.

Thank you for your consideration of these comments.

Respectfully submitted,



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May 16, 2000

CERTIFICATE OF SERVICE

I, Paul D. Coleman, hereby certify that, on this date, May 16, 2000, a true and correct copy of the foregoing was served by mail, first class, postage pre-paid to all parties of record.


Paul D. Coleman